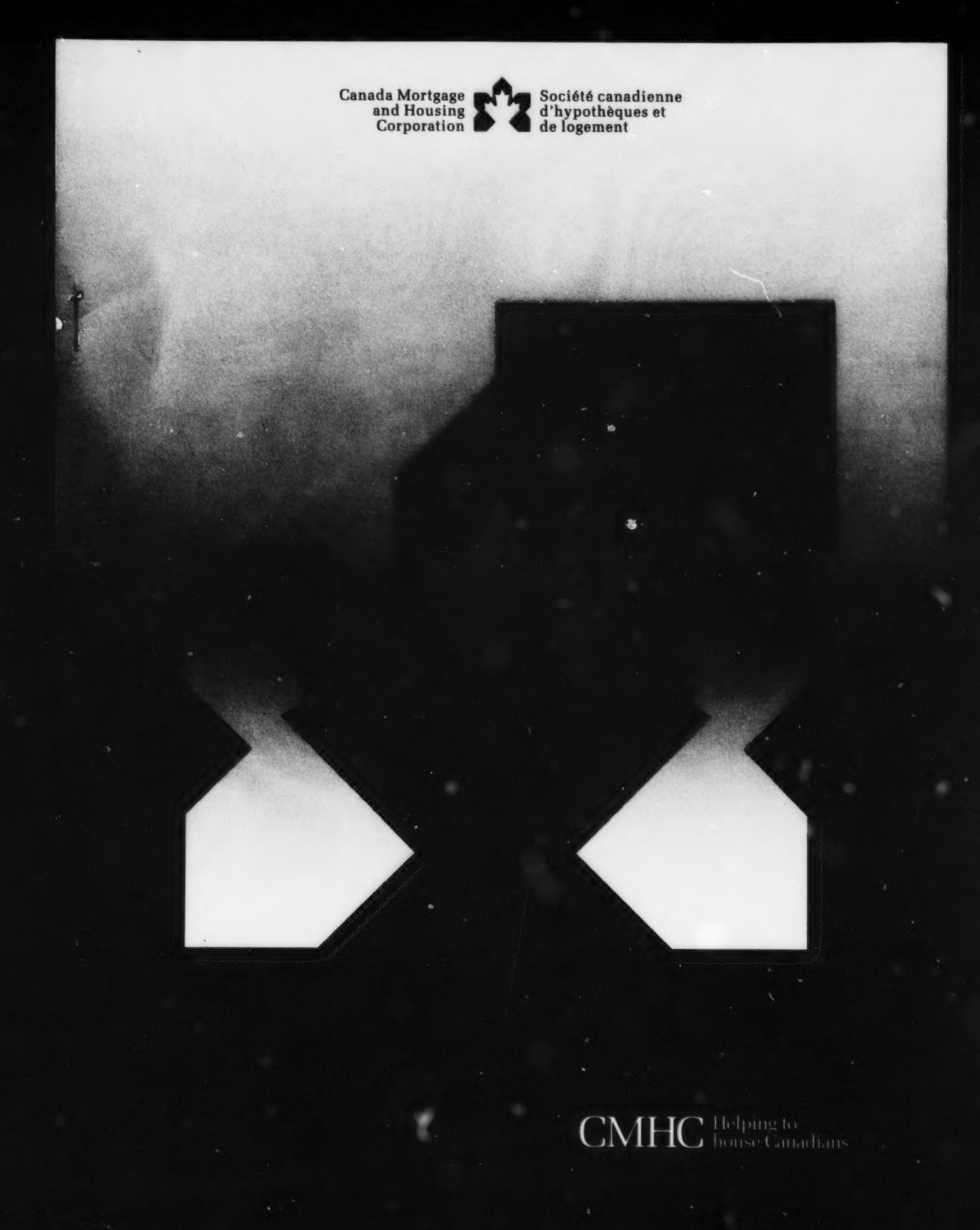
Canada Mortgage and Housing Corporation
Société canadienne d'hypothèques et de logement
CMHC Helping to house Canadians

GUIDELINES ON THE APPROPRIATENESS AND IMPLEMENTATION OF TENANT MANAGEMENT AT SUBSIDIZED HOUSING PROJECTS

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Guidelines on the Appropriateness and Implementation of Tenant Management at Subsidized Housing Projects

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INTRODUCTION

The term "tenant management" has been used to describe a wide range of initiatives which see the tenants of subsidized housing taking over some aspects of the management of the project. They commonly see the tenants handling the collection of rent and arrears, maintenance, security, janitorial services, and tenant relations, and the associated administrative procedures, record-keeping and monitoring. However, they may extend to include employment and community development. Tenant management involves the establishment of a tenant management corporation or tenant co-operative which undertakes the functions specified in an agreement with the housing agency concerned. The corporation[1] is run by a board which is largely elected by and from the adult tenants. Its decisions commonly are implemented by a project manager and staff hired by, and responsible to, the board; some or all of these staff may, themselves, be tenants and they operate out of on-site offices.

Tenant management was first introduced in the United States and Europe principally in an attempt to deal with 'problem' or 'priority' housing projects. However, its use also represents both a direct and indirect response to social and political trends which have favoured equity, social justice and local democracy considerations, and it has been seen as offering many of the benefits proposed for co-operative housing schemes. This has lead to the use of tenant management in a widening range of housing situations.

Evaluations of tenant management initiatives[2] have shown that it can have a number of positive effects, including:

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1 For the sake of convenience, this report will adopt U.S. practice by using the term 'corporation' to describe the legal entity through which the tenants manage their project.

2 The major evaluation of U.S. tenant management are those by the Manpower Research Development Corporation (1981) and Kolodny (1983). A major assessment of British tenant participation, including tenant management co-operatives, is underway at the Center for Housing Research, University of Glasgow.

- long-term cost savings
- increased occupancy rates
- reductions in delinquent rents
- higher unit rental incomes
- increased maintenance productivity
- job creation for tenants
- reduced vandalism and other crime
- reassertion of social control
- increased resident self-determination and self-respect, and
- general community development.

However, some tenant management initiatives have failed to take off, and United States and British evaluations have shown others to have generated various mixes of costs and benefits.

Overall, one review of the United States experience found that "*tenant management remains a promising but demanding approach to the many and interconnected problems of public housing*" (Kolodny, 1983, 28), a conclusion which is also appropriate to British experiences. Tenant management certainly does not offer any quick-fixes or easy solutions, and it is not universally applicable. Instead it must be seen as an innovative option which may be appropriate in some situations.

It is important to view tenant management as an approach, rather than a method. A wide range of different tenant management initiatives have occurred in the United States and Europe. Each of these has developed in a particular context. There have been variations in the national, regional, and local legislation and housing programs, the characteristics of the housing agencies, projects and tenants, and the needs, goals, and capabilities of the different players.

Because of this, the tenant management initiatives have varied, and must vary; if they are to succeed they must be responsive to a range of such factors, and changes in them over time. One of the principal merits of tenant management is that it is responsive management; one of its key requirements, as a consequence, is that it be implemented and operated in a responsive fashion.

It is because of this requirement for flexibility and responsiveness that these Guidelines are just that; a document which aims to provide guidance to Canadian housing agencies which are considering, and which perhaps choose to implement, tenant management. It does not provide any simple recipe for implementing such an initiative, whereby the use of the right ingredients in the right order and proportions guarantees success.

Instead, based on the experience of others in the United States and Europe, these Guidelines spell out important considerations and general principles for the use of tenant management. These Guidelines should allow agencies to learn from the experience of others, and not repeat old mistakes or have false expectations. However, they cannot make the use of tenant management any less challenging, or remove the requirement to respond flexibly, and perhaps innovatively, to the local situation and developments.

These Guidelines are divided into three main parts. In the next section, The Promise of Tenant Management, the prospective benefits are discussed in the broadly historical context of the major experiences of tenant management. Section 3.0, The Appropriateness of Tenant Management, outlines a number of prerequisites for the successful use of tenant management, assisting housing agencies in evaluating whether this is a potentially appropriate initiative in any given situation. Lastly, Implementing Tenant Management describes and discusses a number of important steps and considerations in undertaking such a scheme. Appendices provide an annotated list of selected readings and identify a number of Canadian housing groups with experience which may be of assistance to agencies seeking to implement a tenant management scheme.

2.0 THE PROMISE OF TENANT MANAGEMENT

2.1 Introduction

As has already been seen, various benefits have been claimed for tenant management. Some of these relate directly to housing management concerns; unit costs and incomes, vacancy rates, maintenance productivity, etc. Others relate to broader community development issues, including tenant employment, social control, and resident self-determination and self-respect.

All of these represent aspects and measures of what Kolodny (1983) has called "*the promise of tenant management*". The rest of this Chapter reviews and discusses this promise under five broad headings, based on Kolodny's analysis. In doing so it provides an overview of the use, history, and potential benefits of tenant management and, thereby, of its relevance to the needs of housing agencies considering its use.

2.2 Promise 1 - Rescuing Some Crisis Projects

The most basic argument that has been made for tenant management is that it may be the option of last resort for some crisis projects which are experiencing increasing decline and may have to be abandoned. Where conventional management policies have failed, agencies may turn to it in desperation. It is this motivation which led to the earliest uses of tenant management; it is only subsequently, and out of those early experiences, that the broader potential benefits have been recognized.

The first significant use of tenant management resulted from a crippling 1969 rent strike in St. Louis, Missouri, which left the public housing authority bankrupt and unable to manage its large family projects effectively. According to most accounts, tenant management initially was considered as a gesture to keep the peace, and because the tenants were the only potentially legitimate force left. Furthermore, the tenants had already shown themselves able to maintain minimal services during the rent strike, and to negotiate skillfully a settlement with a number public bodies.

In 1973, following lengthy negotiations and training, a contract was signed between the St. Louis Housing Authority and the residents of the Carr Square and Darst projects, high-rise and garden housing developments containing a total of 1256 units. This agreement gave the tenants full management responsibility for the projects, subject to federal rules and regulations governing all public housing. While the authority continued to have fiscal responsibility for the projects, it negotiated annual operating budgets for each site with a tenant-controlled Tenant Management Corporation (TMC).

The successes in St. Louis were influential in having a National Tenant Management Demonstration, sponsored by the Department of Housing and Urban Development and the Ford Foundation, established in 1976. While the demonstration sites - Jersey City, Louisville, New Haven, New Orleans, Oklahoma City and Rochester - had populations overwhelmingly made up of welfare-dependent, female-headed households, none had St. Louis' degree of desperation or *de facto* self-management experience, although one of them, the A. Harry Moore project in Jersey City, does seem to have been a potentially terminal case.

Prior to the introduction of tenant management, virtually all management and maintenance operations at A. Harry Moore had ceased. The 662-unit inner city project, consisting of seven twelve-storey blocks, surrounded by a derelict and neglected neighbourhood, was considered as a center for drugs and other criminal activity. However, building on a pre-existing tenant participation program the initiative seems to have been broadly successful; despite the special demands posed by the site and its population, A. Harry Moore came to out-perform other Jersey City family housing developments according to most management indicators.

Concerns about crisis projects also lay behind the development of tenant management in Britain. An influential case was the Holloway Tenant Co-operative which was established in the London Borough of Islington. This initiative sought to prevent the further destruction of existing municipal council-owned units in an inner city neighbourhood which was slated for 'slum clearance' and comprehensive redevelopment. The Co-operative currently manages 460 units.

The Holloway Tenant Co-operative and associated work by the North Islington Rights Association was influential by providing informal demonstration projects and publicizing in Britain the United States tenant management initiatives. This led indirectly to the establishment, in 1979, of the Department of the Environment/Welsh Office Priority Estates Project (PEP), which has had considerable success in addressing the crisis in municipal housing first identified in the mid-1980's. In dealing with the difficulties of 'problem' and 'difficult-to-let' housing estates, PEP has used a project-based management system which involves tenant participation extending, in one case, to tenant management.

A Scottish example of this promise of tenant management is the Speirs Management Co-operative which was set up in Glasgow in 1980 to deal with the problems of some District Council-owned 1930's tenements. The 200 tenants of these run-down and hard-to-let units took on a major modernization program and have subsequently successfully managed and repaired these units for the District Council.

The above cases suggest that tenant management sometimes may be able to rescue crisis projects; however, it is not ultimately possible to measure properly the results of tenant management or compare these with those from other approaches.

2.3 Promise 2 - Improving Management

A major attraction for housing agencies is the possibility that tenant management will lead to a more effective and efficient provision of housing services. It is usually thought that it will improve the quality of the housing management for one or more of a number of reasons. These include:

1. Management Reflecting Tenant Priorities - Managers who are themselves tenants will better reflect resident priorities in allocating resources, thereby increasing the net satisfaction associated with any specific level of spending and staffing;

2. More Responsive Management - Managers and staff who are tenants will be better able to identify and respond to tenants' concerns, and may be able to defuse problems before they escalate into formal conflicts involving management and neighbours;

3. More Accessible Management - Managers and staff who are tenants will be potentially available locally and all of the time, and not just during specified times and at a location which may not be on, or even close to, the project;

4. More Knowledgeable Management - Managers and staff who are tenants will have 'insider knowledge' and hence be less likely to be mislead or duped by tenants and more likely to be able to use peer pressure against problem residents;

5. More Accountable Management - Managers and staff who are tenants will be more accountable to the other residents; board members who do a bad job can be forced to resign, while any resident staff whose work is unsatisfactory can be fired by the board;

6. Self-Interested Management - Managers and staff who are tenants will themselves be beneficiaries of good management, causing them to work harder and more diligently.

In assessing projects involved in the National Tenant Management Demonstration, Kolodny (1983) concluded that there is *"a good deal of participant testimony"* as to the effectiveness of at least two of these reasons: more accessible and more knowledgeable management. Furthermore, there is evidence, especially from the United States, that tenant management may result in improvement in management efficiency, as measured by a range of performance indicators. For instance, data on the A. Harry Moore project show it to have out-performed all other Jersey City Housing Authority family projects with respect to average rent increases, maintenance worker productivity, and numbers of outstanding work orders, and to have out-performed most of them with respect to vacancy and turnover rates. There is evidence of similar management efficiency at a second Demonstration site, in New Orleans; information on two other projects is less conclusive, while at two other sites tenant management did not take hold.

No similar assessment has been completed of tenant management in Britain. However, a review of locally-based management at nine Priority Estates projects (only one of which, however, involved tenant management) identified among the benefits reductions in vacancies, turnover and rent arrears, and improvements in the rate and quality of repair and caretaking. The tenant-managed project, the Cloverhall Estate in Rochdale, experienced a notable decline in arrears.

2.4 Promise 3 - Providing Residents with Employment and Training

This prospective benefit has been emphasized in the United States, perhaps because the National Tenant Management Demonstration was run by the Manpower Demonstration Research Corporation, a non-profit organization established to develop innovative employment programs. In Britain the main emphasis has been on housing management; tenant employment has been limited by concerns about potential conflicts of interest, with many programs having a policy or practice of not employing tenants for some or all positions.

The United States experience has identified three potential sources of employment:

1. Direct employment, by the tenant management corporation, of staff engaged in housing management, administration and maintenance;
2. Employment in construction work on the project; and,
3. Employment in social service or broader community development programs initiated by the corporation.

In addition, TMC's may assist tenants to find work by organizing employment development and training programs.

In his review of the National Tenant Management Demonstration, Kolodny concluded that "*tenant management has fulfilled its basic promise in terms of providing new sources of employment to some residents*" (1985, 11). Management of the 662-unit A. Harry Moore project employed six residents, while eight others worked as maintenance workers, and over twenty were employed on an authority-wide summer lunch and recreation program. Employment at other projects has included jobs as security staff and daycare workers.

While the British use of tenant management has not emphasized employment benefits, it is notable that significant numbers of those who have become involved with it have developed careers in housing management and training. Many of them working as staff at, or providing training and other assistance to, new project-based and tenant management initiatives.

2.5 Promise 4 - Increasing Tenant Organization and Solidarity, Leading to Increased Self-Determination and Self-Respect

This promise of tenant management is perhaps the least tangible and most difficult to measure. It is based on an assumption that local control and tenant empowerment will cause many project residents to have a better self-image, leading to their taking more control over their lives and their broader environment. It also includes the possibility that involvement in management based on local democracy may serve as consciousness-raising with respect to other forms and types of collective action.

There is copious qualitative evidence of tenant management having these effects. Interviews with board members, staff, other residents, and community leaders from outside of the projects, make clear that significant personal, leadership and community development often results. The significance of this, of course, depends on one's point of view. As Kolodny notes:

> *"If the sole issue is housing management, these factors are only important insofar as they facilitate site operations by, perhaps, making the community a better behaved or less fragmented one. If the empowerment of low-income and predominantly minority communities is seen as a value in its own right, as a mechanism for social mobility for neighbourhood betterment, then achievement in this area has a much broader significance."* (1983, 74)

2.6 Promise 5 - Providing the Basis for Broader Community Development Initiatives

This is another prospective benefit which has had a higher profile in the United States than elsewhere. At about the time the National Tenant Management Demonstration was beginning, 'second generation' benefits were emerging for the initial St. Louis projects. These included their ability to develop social service programs for residents (particularly youth and the elderly), and some related employment and job training. Subsequently 'third generation' benefits also have been identified, in the form of broader business development serving both tenants and neighbouring residents.

These are clearly longer-term benefits, and are even more remote from core housing management concerns. However, the potential for direct and indirect impact on housing concerns should not be discounted, and is exemplified by the St. Louis TMCs. These have seen a wide range of initiatives, including the operation of daycares, eldercare, homecare services, community and health centers and a janitorial service, most of which serve the need of both residents and non-residents of TMC projects. The corporations also have been active in the development of both new housing units and retail space.

In undertaking such initiatives, the TMCs have been successful in attracting a wide range of capital and operating grants from government and charitable foundations. They have also permitted the creation of large numbers of short- and long-term jobs, many of which are filled by public housing residents.

These, then, are the five main promises of tenant management. It should be noted that they represent potentials and that the examples cited have been used for illustration, and are not meant to describe the typical, let alone inevitable, consequences of tenant management. They have been taken from evaluations which have shown tenant management to be an approach which has great potential, but which is not universally applicable or easily implemented.

The rest of this report addresses these crucial issues of applicability and implementation. The next chapter discusses the requirements for tenant management, in order to help housing agencies determine whether it is an appropriate approach to use at particular projects and developments. The last chapter presents a number of principles and considerations to be borne in mind should a decision be made to implement this approach.

3.0 THE APPROPRIATENESS OF TENANT MANAGEMENT

3.1 Introduction

The record of successes and failures of tenant management initiatives in different countries shows that there is no easy answer to the question of whether it is an appropriate approach for a particular project. Two of the six National Tenant Management Demonstration projects did not take off and there have been at least some difficulties in all other cases.

However, a number of prerequisites for a successful implementation can be identified and these are discussed in detail below. Without at least some level of presence of each of these prerequisites it seems likely that any initiative will fail. However, while the presence of them is necessary, it is not sufficient to ensure success, and it is not possible to say how much of each is required.

The fact that it is impossible to specify exact requirements reflects four factors:

1. The requirements will vary from project to project according to the particular characteristics and context;

2. There will be some degree of overlap between, and substitutability of, different factors. They are not independent of each other and, for instance, high levels of tenant support at a project may be able to overcome lower levels of initial availability of other requirements, such as funding or training.

3. The level of need for each of these prerequisites may vary over time; for instance, while strong tenant support may be vital at some stages, organizational momentum can be expected to carry the initiative through periods when many tenants are less supportive or interested; and,

4. Many of the prerequisites, such as tenant and institutional support, are not easily measured.

Accordingly this Chapter only describes and discusses the prerequisites. The use of the term 'prerequisite' reflects the fact that experience elsewhere indicates that they must be available at some level; however, it is not possible to provide a formula for establishing whether, in any particular situation, they are individually or collectively available in sufficient amounts to ensure successful adoption of a tenant management scheme.

Beyond this concern about whether tenant management will work is the issue of why it is being used. It may be being introduced because of any or all of the 'promises' of tenant management; however, its success clearly will ultimately have to be judged not by whether tenant management takes off but whether it is successful in addressing the specific goal or goals for its use.

In this regard it should be noted that there are other approaches which can be used either when tenant management cannot, or when they seem likely to be more effective in achieving the management goals. For instance, there is a wide range of other methods of increasing tenant participation, including improved information flows, consultation, dialogue, negotiations, accountability to tenants, delegation of selected responsibilities, and arbitration. An evaluation of the appropriateness of tenant management should be carried out in the context of both the management goals and other management options.

3.2 Requirement 1 - Need

As has already been seen, tenant management is a demanding approach to housing management. It requires all players to commit, over a long period of time, very significant time and other resources. For this reason it is unlikely to work unless its implementation is driven by a significant need, supported by broader interests and hence potential support.

In some cases this has been provided by the tenants themselves; the early initiatives in the London Borough of Islington were driven by the needs of tenants and others to save housing and a neighbourhood which local government had abandoned. In other cases the primary need has been that of a housing agency; for instance, the Glasgow District Council saw tenant management as a method of responding to central government policies which reduced the Housing Support Grant provided to the Council and which would otherwise have resulted in large rent increases.

In many cases the need will, to some degree, be shared; in St. Louis it was the only apparent way for the Public Housing Authority to maintain the projects and for the tenants to save their housing. One of the stimuli to both agency and tenant

involvement in the National Tenant Management Demonstration was that $15 million were available from the Demonstration in much needed improvement grants. However, the basic requirement is that there be a significant level of need which will sustain tenant management through its implementation; any initiative which is based only on more general 'concerns' and 'interests' is likely to founder.

3.3 Requirement 2 - Tenant Support

As well as a clear and specific need there must be more general support for tenant management. In the case of the tenants, the latter requirement means that there must be some outcomes which have a high degree of appeal to both individuals and the community as a whole.

This probably is the limiting factor with regard to the potential uses of tenant management. Most successful United States schemes have occurred in troubled neighbourhoods among groups with very limited housing options and high levels of dependency. These serve as important motivators; however, this is not to say that tenant support cannot emerge and/or be engendered in other types of housing situations. European experiences in particular suggest that a broader applicability is possible, although this may be both more demanding of agency efforts and have a more limited range of benefits.

Levels of tenant support commonly are established through some form of survey early in the implementation process (see p. 19) It is not necessary that this support is clearly and directly articulated by all or even most tenants, but is is vital to have an initial core of support for the proposal, with an existing or potential tenant leadership group which perceives this management option as a means of achieving individual and collective goals.

It is common for many of the tenants to be disinterested in, and some actively hostile to, new approaches. Some tenants will be satisfied with the way things currently operate; usually this will be because the present system satisfies most of their housing needs, although there may be some who favour it for the negative reason that they are able to exploit the weaknesses and inefficiencies of the current system.

In some cases tenants may be cynical of new approaches, long having been recipients of paternalistic and/or unresponsive management. Tenants are especially likely to be cynical where they have already been subject to consultation which they do not feel produced any significant results.

In regard to this requirement, it is instructive to consider the initial responses to the National Tenant Management Demonstration. The tenants were neither universally nor overwhelming in favour. Their concerns included doubts as to whether they actually would be able to make the grade as housing managers, and whether the projects were in fact manageable. The tenants were not necessarily reassured on these points as they came to understand the Demonstration better but they slowly became aware of the potential benefits and particularly the opportunities for training, employment, and project upgrading.

It is important to note that the tenants' support will not be solely altruistic. They may well be attracted philosophically to local control and co-operative decision-making; however, they are also going to be interested in achieving power, employment and/or other benefits for themselves, and this is an important and valid motivator.

3.4 Requirement 3 - Agency Support

Agency support is vital if tenant management is to succeed. Senior management, at least at the executive and board level, must be willing to actively support and provide the required resources for this option which will make various demands on the agency and its personnel.

These demands will include providing funding, restructuring administrative systems so as to permit project-based decision-making, and devolving powers, sometimes including transferring staff, to tenant-run operation. Not least, some agency personnel will feel threatened by tenant management, or will reject out of hand tenants' ability to operate such a scheme.

In the words of Diaz (1979, xxxv):

> *"No bureaucracy likes its established routines and patterns of operations disrupted, and this is truer still when such disruption means a loss of power and authority. There is also a sense among many traditional managers that theirs is a profession requiring an investment of long hours of training and experience, and they resent and resist the idea that tenants can assume management responsibilities without this investment."*

Institutional support will have to be sufficient to overcome the various tensions in the organization that will result.

It should be stressed again that these demands will not be short-lived. Tenant management is a demanding option, described by one of its originators as *"an evolutionary process requiring experience, nuturing and maturation"* (Rigby, 1985, 28). Any housing agency considering implementing tenant management must be fully aware of this and willing to commit itself to the necessary ongoing institutional support. Only with such a commitment can mutual trust and confidence be developed and sustained between the tenants and the institutional actors. Without this the initiative will fail, likely resulting in recriminations and distrust which will have long-term negative consequences for management options.

3.5 Requirement 4 - Funding

The tenant management corporation, its board and its staff clearly will require an operational budget. Initially, before staff are hired, there will be start-up costs associated with holding meetings, setting up an office, travel, training, etc.; subsequently, it also will be necessary to fund staff positions and all other management and operational requirements.

The initiating housing agency will also have internal costs associated with the implementation and operation of a tenant management scheme. Most agencies have some staff involved in liaison with tenant-managed projects, and where there are a

number of schemes a specific management unit may be created for this purpose. Other agency costs probably will include those involved in changing management systems (especially computer management and accounting systems) to permit project-based decision-making.

Funding normally will also be required for capital improvements (see p. 28). Such improvements represent an agency commitment to raising the quality of housing as both a basis for, and an incentive to, tenant support. The size of the capital improvements will depend on the condition of the project. In the extreme case of the National Tenant Management Demonstration they comprised two-thirds of all Demonstration costs. This expenditure was seen as crucial to the program design, since putting tenants in charge of outdated and deteriorated projects was no valid test of their management capabilities.

The reverse argument can also be made. For instance, the Priority Estates Project local-based management is seen as a natural concomitant of any capital investment since "*there is no point in spending money on upgrading estates if the management and maintenance services are incapable of sustaining those improvements.*" (Power, 1987, iii).

3.6 Requirement 5 - Training and Technical Assistance

An extensive program of training and the provision of professional technical assistance is critical to the success of any tenant management scheme. Tenant representatives are able to understand and articulate the needs and wishes of their projects better than any traditional housing management bureaucracy. However, their management efforts are going to have to take place in a complex legal, fiscal, political, and bureaucratic context with which they largely will be unfamiliar.

Because of this they and their project manager and other staff are going to require ongoing training opportunities of various types, and will need access to specific professional advice. The training opportunities will have to be provided in response to particular requirements and in a form which is appropriate to the recipients. They will have to include training in both housing management and organizational development. In both the United States and Britain much of the training has been provided by individuals with prior experience of tenant management; however,

Canadian housing agencies, for the time being, will be more dependent on those few housing groups which have sought to directly involve residents in the management process (Appendix 2).

Training must also be provided to those housing agency personnel who are dealing directly or indirectly with tenant managers and their staff. Any misunderstandings and untoward assumptions these agency personnel may have about the roles and duties of the various parties will lead inevitably to frictions and, perhaps, conflict.

The board and their staff will need consistent access to appropriate advice from lawyers, architects, management consultants, and other professionals, who should be familiar with, and sympathetic to, the goals of tenant management. Such technical advice will serve both to assist the board and their staff in decision-making and increasing their independance and self-confidence. For this reason, both professional assistance and training are best provided from outside of the housing agency (see p. 30).

3.7 Requirement 6 - Flexibility

If tenant management schemes are to succeed, they must be tailored to the characteristics of the project and its tenants, and to the broader social, economic, political, and institutional context. As such each scheme is in some ways a unique experiment, some aspects of which will be more successful than others.

If the scheme is to work, there must be a recognition of this fact, and an openness to changing things, both in response to perceived difficulties and to changes in the context. This requires that the housing agency involved, in particular, be open to such innovation. It would be incorrect, and probably fatal to the scheme, to assume that the initial arrangements and modes of operation will be satisfactory for all time; there must always be monitoring and review procedures so as to keep track of developments, and a willingness to implement changes in response to these.

4.0 IMPLEMENTING TENANT MANAGEMENT

4.1 Introduction

This Chapter discusses issues and considerations in the implementation of a tenant management scheme. It provides information, based on experience in the United States and Britain, which will be of use to agencies which decide that tenant management is the appropriate option for a project, given both the agency's goals and an examination of the requirements of this approach.

In the first section of this Chapter general issues and considerations were raised in the context of a discussion of the four main groups involved in any initiative: the initiating housing agency, the management corporation's board, its staff, and other tenants. This is followed by consideration of four key components of tenant management: the formal agreement between the agency and the corporation, the budget, capital projects, and training.

While the discussion seeks to assist Canadian housing agencies that want to introduce a single tenant management scheme, there are particular difficulties in such an approach at this time. The basis of most knowledge and expertise about such initiatives is experiential; the National Tenant Management Demonstration benefited from lessons learned in St. Louis and was able to utilize individuals who had been involved there as advisors and trainers. Similar patterns of development have occurred in Britain, and were recommended by many researchers consulted in preparing this report.

In Canada, at this time, the base of knowledge and experience is very thin. While some Canadian housing groups have related experience (see Appendix 2), any scheme largely will have to draw on the information presented here and in the various reports listed in Appendix 1. It may also be appropriate to consult directly with the authors of these reports and other people active in tenant management in the United States and Britain. However, at the end of the day there is no substitute for experience generated in the national and local context through demonstration and subsequent projects.

4.2 The Agency

The housing agency will usually be the initiator of any tenant management scheme, although there have been cases where the tenants have been the first to propose a transfer of functions to them. But, however initiated, the agency will be central to the success of the scheme, through both its actions and its willingness to allow the board and its staff independence.

The first stage with any proposal will be an assessment of the appropriateness of tenant management. Chapter 3 lists six requirements for a successful scheme. An evaluation based on these will serve to clarify thinking and expectations about the proposal, develop ideas about how it might operate, and establish feasibility. Such an evaluation is of value in itself; even if the use of tenant management is rejected, this assessment may lead to an identification of other management options or better procedures.

The assessment might be done in-house or by consultants, although the fact that most agency personnel will have at least some vested interest in current structures and procedures makes the latter preferable. In any case, it will be necessary to establish the levels of agency need and/or support for such an initiative, together with the availability of funding and training.

It is best to review the institutional support for tenant management before tenant support is canvassed. There is no merit in developing expectations among tenants if these are going to be frustrated and the scheme abandoned for want of institutional support and/or capacity. However, if there does appear to be potential for such a scheme, the next stage involves a detailed and often protracted assessment of tenant need and support.

There are various ways in which this can be done, but one well-received approach sees initial public meetings to identify, and solicit support from, an initial group of tenants' leaders. A survey method and instrument are then developed in consultation with these leaders. This survey seeks to find out how satisfied tenants are with their current housing and services, what problems they have, and

whether they would favour new, local, management systems. This survey, and the success and tenor of meetings, should allow an assessment of tenant need and/or support. It will also help guide priorities in the provision of various services and new capital improvements.

The agency will also have to make ongoing commitments to any tenant management scheme. It will have to assist, directly or otherwise, in organizing tenant elections, developing an agreement, budget, and job descriptions, and in-training. It may be necessary to negotiate the labour implications of the new arrangements with unions, while agency employees will need training in relations between the agency and the corporation. Computer and other management systems may have to be modified so as to permit control at the local level; for instance, rent collection and repairs cannot effectively be done at the local level without direct local access to data on accounts, work orders, etc.

These requirements make tenant management a challenging and demanding option for the housing agency involved. They also help explain why the levels of agency need and/or support is one of the key factors in assessing the appropriateness of this option.

4.3 The Board

The tenant board is central to any tenant management initiative. They:

- offer a mechanism by which management is accountable to the tenants and through which residents can participate by setting policy;
- provide tenants with a structure for representing their interests to the housing agency and other outside agencies and institutions;
- help legitimate the management of the project in the eyes of the residents;
- have the capacity to advocate for, and bring peer pressure to bear on, individual residents; and,
- are a vehicle with potential for pursuing broader economic, social and other community development goals.

The board commonly is made up largely of people who were the leaders of the community prior to consideration being given to tenant management. Indeed the

implementation should reflect and to try to build on any pre-existent patterns of leadership and association; if there is already a tenants' group of some kind, it will likely provide many of the more active participants in the scheme. However, other leaders will emerge who have had no obvious previous role.

Tenant representation should be selected at open meetings, using nomination and election procedures developed by the agency and supervised by a neutral body. In some cases the board may contain an over-representation from particular parts of the project, ethic groups, gender groups, or household types. It may be necessary to encourage the participation of minorities, and special sub-committees or quotas can be considered as methods to increase their participation.

In addition to these tenant representatives, some boards contain members nominated by other interested parties, such as the housing agency or local government. While these nominees bring to the board 'professional' skills and can monitor proceedings, these requirements are better satisfied by providing training to tenant board members and developing a formal liaison respectively. The presence of non-tenants on the board may diminish its real or perceived independence and authority.

All board members will require an initial training period, and a longer term provision of training opportunities (see p. 29). While the board may form a number of sub-committees, a comprehensive program, covering the full range of housing management and organizational developed issues, should be provided to all. Among other goals the training, in conjunction with formal systems of accountability, should seek to ensure that the board is both ethical and responsible. Tenant boards are no more immune to favouritism, nepotism, and other forms of dishonest behaviour than any other governing body, and they will need assistance in preventing, recognizing, and dealing with such behaviour.

At the same time,board members must receive legitimate benefits for the positions they hold. These will include the gratification of exercising authority, and the prestige associated with leadership. Other benefits are similar to those enjoyed by similar types of volunteer boards; opportunities for training and personal

development, travel to conferences and meetings, the legitimate use of meeting space, office equipment, meals, and refreshments. These usually can be provided from the operating budget and help confirm the status of the board.

Board members deserve the sympathy and support of the housing agency and others. The first years will be very demanding of their time, may see high levels of staff turnover, and board members will often be blamed for problems of implementation. This will change as the scheme matures but tenants will tend to forget about progress achieved through it, and be less appreciative of the efforts of the board.

In all of its relations with the board, the agency must respect its independence and responsibilities. Having contracted many of its housing management functions to the tenant corporation, the agency must negotiate with the board and its staff on a range of matters. While efficiency of operations often will require direct contact between the agency and the project manager, it is essential to treat the board as a partner and their staff as the board's, not the agency's, employees.

This relationship should extend to broader agency initiatives, with the board being treated as a partner in its overall enterprise. This will involve consulting and involving the board as appropriate in such things as union negotiations and discussions with other levels of government about capital and other grants.

4.4 The Staff

An early function of the newly-created board, usually working in conjunction with housing agency officials, will be the development of job descriptions and hiring criteria for staff positions.

There will have to be a project manager, while the number and variety of other positions will depend on the size of the scheme and the functions being taken over. The tenant corporation normally will handle the collection of rents and arrears, maintenance, janitorial and security services, tenant relations, together with the associated administrative procedures, record keeping, and monitoring. In addition, the tenant management staff may include workers engaged in social and community

development work, such as social workers and daycare workers. The housing agency is more likely to provide specialist services, overall financial control, rent accounting, and management support and supervision.

The staff should operate out of on-site offices which are located, designed, and operated in a manner which maximizes tenant/staff interaction. Tenants should feel comfortable dropping in to do business with the staff. The office should provide comfortable, informal, and private space for tenants to talk to staff, and be located and open at hours which are convenient to tenants.

Staff may come from three sources: newly-hired tenants, existing agency employees, and other outside hiring. In the United States schemes emphasize hiring tenants, and in some cases board members may choose to resign to apply for paid positions; this can cause some tensions and difficulties. There are also potential problems of conflict of interest and nepotism when tenants are employed, and this is one of the reasons why many British schemes have a requirement, or strong preference, for outside hiring.

Union arrangements may also influence hiring decisions. Where the housing agency already has white or blue collar unions, it usually will be necessary that:

- they are consulted on the initiative;
- staffing structures, job descriptions, and office conditions are agreed with union representatives; and,
- union fears over staffing levels and job losses are allayed.

However, the British experience is that this need not be a major problem and that:

- unions can accept the flexible working arrangements required by tenant management; and,
- unions representing manual workers will accept local supervision and local team work in exchange for the potential overall increase in employment that commonly results.

Newly-hired staff must then undergo an extensive training program, which must extend beyond housing management concerns to encompass the particular demands of the tenant management approach (see p. 29). These demands include:

- the ability to work flexibly, share tasks, and co-operate in making decisions;
- respect for the tenants and a desire to work directly for and with them;
- respect for the board, including a recognition of them as both the legitimate representatives of the tenants and the policy-makers; and,
- enjoying small teamwork and being willing to sacrifice some of the cushioning that is provided by a centralized housing agency for the challenge of carrying more direct responsibility.

These are significant demands, and many projects initially experience considerable staff turnover, especially for key management positions. Some workers will find it difficult to deal with the arrangements and pressures that are peculiar to tenant management. It may also be that, however well thought-through and reasonable the hiring criteria were, certain characteristics and other requirements that were not anticipated in fact turn out to be important.

4.5 The Tenants

The tenants are the focus of any scheme, electing from their number board members and often supplying staff. However, it must be recognized at the outset that the role of most tenants, most of the time, will be essentially passive.

It is easy, and unrealistic, to expect active participation by most or all of those concerned. Even co-operative housing ventures dominated by idealistic professionals and intellectuals often find that the members' interest soon lags. Most tenants are subject to a range of other pressures, concerns, and interests; as long as their housing is relatively unproblematic they will give little active attention to it.

As a result, it is understandable that most tenant meetings will only attract a small proportion of the residents, however much care is taken in selecting a time and location, providing childcare, etc. Attendance by only 10% or 15% of tenants may be common. However, this should not be seen as a sign of disinterest or lack of commitment. It should, instead, be thought a measure of satisfaction. A key aspect of tenant management is that it provides tenants an opportunity, by attending meetings as well as by directly approaching board members and staff, to express their displeasure when things become unsatisfactory.

This is not to say that no attempts should be made to nurture and encourage tenant participation. The board and its staff will have to make efforts to maintain community visibility and support, and to inform new tenants about the tenant management system. The delivery of services and providing secure housing to tenants have to be the fundamental means of achieving these goals, but some self-promotion of achievements in this area is also necessary. Newsletters, flyers, notices, media stories, awards, social events, and community forums are all techniques for reinforcing the special nature of the scheme.

The possibility that some tenants will actively oppose tenant management has to be taken into account. Tenant managers have been shown generally to be firmer in enforcing rules, and more demanding in their expectations, than conventional housing agency staff. Because the probability of this emerges early in the training process, it will soon come to the attention of any tenants who have something to hide, such as undeclared income, undeclared live-in companions, or illegal activity.

Such tenants can consume a good deal of attention and energy, but seldom will threaten the initiative. However, it may be necessary, especially in the early stages, for the agency to be supportive of the board and emphasize its legitimacy, in the face of challenges by dissident individuals and groups.

4.6 Agreements

The relationship between the housing agency and the tenant management corporation is formalized in a contractural agreement which spells out the responsibilities of each of them and the relationship between them. It is developed

out of negotiation between the agency and the board, and must be respected by both parties.

The contract must be able to respond to evolution and maturation of the tenant management initiative by providing opportunities for review and change, allowing management arrangements to be modified and new functions to be taken in.

An important component of any agreement is a setting out of performance standards, specifying how the initiative will be evaluated, and establishing mutually agreed management targets. Such measures will be both qualitative and quantitative, and provide the board and its staff with a way of judging their success (and defending themselves against charges of poor performance). Such standards make it easier for the agency to hold the tenants accountable, and provide the board with a basis for supervising and disciplining staff.

4.7 Budgets

Any tenant management scheme will require a budget covering the costs of day-to-day management and maintenance of the project. This should include funds for training, the board's expenses, and outside technical and professional assistance in organizational development, property management and service delivery. Major capital programs (see p.28) normally will be handled as a separate budgetary unit.

The budget for the project commonly is developed on a *pro rata* basis, drawing on the agency's average per unit costs for management and maintenance. However, allowance will have to be made for any features which will make managing the project particularly difficult and expensive. These would include, for instance, the presence of elevators or other design features which require special maintenance.

The initial budget allows the housing agency to have an idea of how much the new initiative will cost them, although it is clear that the budget will be refined over the years in the light of experience, and that the first few months will see a higher than average demand for repairs and some other services. As such, the budget will help the agency monitor the scheme and its place in overall priorities.

The budget also allows the board to establish their priorities, and the project manager and his or her staff to monitor their costs and see if they are "living within their means". On the basis of this future expenditures can be planned. This monitoring function is particularly important given the variable and unpredictable nature of repair costs.

The budget usually is controlled by the project manager who reports directly or through a finance sub-committee to the board. The use of a number of budgetary categories assists in effective control and ensuring the best value for money. These usually will include such categories assists in effective control and ensuring the best value for money. These usually will include such categories as:

General Supervision and Management

- staff salaries and employer's overheads
- office costs
- equipment

Special Management

- open space maintenance
- janitorial
- special services (disabled, elderly, single parents)
- repairs and maintenance
- other expenditures

However, the budget must allow some flexibility so that the board and project manager can 'manage' these resources, through transferring resources between budget categories.

The fact that there is a specific and separate budget for the project is one of the features which helps make tenant management more efficient than centralized forms. It makes staff more directly accountable for the service they provide, since the consequences of decision-making and expenditures rebound directly on the management corporation. Staff are therefore more directly aware of the secondary consequences of spending decisions, including, for example, how cutbacks in security

have affected the repair costs resulting from vandalism.

The budget also enables all tenants to see exactly how and where the money is spent, and allows them to influence decisions. If they can see where the money goes, they are also more likely to make realistic demands of the corporation.

4.8 Capital Projects

Projects where tenant management schemes are being introduced are often, but not necessarily, problem developments. These are commonly in a deteriorated condition, and the new management scheme will have to be accompanied by a program of capital works. These, directly and indirectly, serve a number of purposes. They improve conditions to a level which reasonably can be maintained, provide an early focus for tenant involvement, and allow tenants rapidly to see evidence of benefits from tenant management.

The last of these may serve, and be seen as, a 'lure' to tenant support, and care must be taken to ensure that the scheme is not sold to the tenants on the basis of such expenditures. Indeed, for this and other reasons such capital works projects should not be concentrated in the first years of the scheme. It is better to spread them over a longer period, reducing the size of contracts and the amount of disruption at any one time, and allowing better supervision of the work.

Tenant management of the capital projects means that they will more directly address the residents' needs and priorities. The board, staff, and other tenants are also more likely to show an interest in the quality of the work and subsequent care and maintenance than would otherwise be the case. The latter will be of particular importance in the case of open space and security-related projects which are often in public and semi-public areas and hence vulnerable to vandalism.

4.9 Training

Tenant management requires that tenants, board members, project staff and housing agency personnel develop new skills, approaches and attitudes. As such they will have to be provided with a wide range of training opportunities.

Tenants must have an understanding of the workings of the scheme so that they can participate in it if they wish, and so they know how it will affect them when it comes to paying rent, getting repairs done, etc.

Board Members are going to need training in housing management and organizational development. The latter is just as important as the former; technical aid in management and service delivery will have little value unless it is accompanied by training in such areas as team-building and interpersonal skills. Without a comprehensive training program tenant leaders are likely to lack confidence in their abilities and hence to be defensive.

Project Staff usually will require professional training in housing management in addition to an introduction to the specific skills required by tenant management. Project-based management is very different from centralized and departmentalized management. It requires new skills and above all a sensitivity and ability to deliver quickly. Specifically, they will have to have:

- a basic knowledge and understanding of all components of tenant management;
- an approach or style conducive to initiative, flexibility, and a rapid response; and,
- an openness to tenants and an understanding of human relations that will encourage sensitivity and a clear-headed sense of responsibility.

Housing Agency Staff. In almost all tenant management schemes some services still will be provided by the housing agency. Sometimes these will be of an administrative nature, such as accounting. In other cases it will include service delivery, such as undertaking major repairs. In either case it will be necessary for housing agency staff to understand the rationale for the new scheme so that they can respond to the type and nature of the demands on them.

All training should be tailored to the needs of the people involved. Formal classroom-type instruction may be suitable for existing professional staff but wholly inappropriate for many tenants. The training should include interactive and on-the-job components and copious use of examples role-playing and other informal

training techniques. To ensure this the training program should be developed in consultation with experts in training techniques and approaches as well as housing management and organizational development.

Where the housing agency has its own training resources or regular access to outside programs, tenant management staff can certainly benefit from using them. However, it is shortsighted to think the agency can provide for all of the training needs associated with tenant management. The form of training and its existing programs will often be inappropriate and, in any case, once the corporation is formally a partner with the agency its officials and staff will need to be able to seek the help of, and explore their ignorance, doubts and concerns with, neutral third parties. Furthermore few housing agencies will be able to provide training in organizational development.

It may be convenient to have some training provided jointly to the project board and staff; certainly there will be a large number of common concerns and considerations. However, it has been found that joint courses can lead to a confusion of roles, with board members unsure as to their appropriate function.

In developing training programs it will necessary to take into account the basic skills levels of the trainees. Further development of these skills may be required before some tenants are going to be in a position to benefit from more sophisticated training in, say, accounting and bookkeeping. Similarly, while brochures and other written materials may be useful in providing information to tenants, they must be tailored to the tenants' language requirements and literacy levels.

The main training effort will be at start-up, with board members undertaking an initial training. They commonly then will be be involved in the hiring of staff, who will participate in their own start-up training. However, in addition to this initial effort, it is crucial to have an ongoing and responsive program of educational opportunities. A program which only calls for a one-time, intensive, training effort and then expects the scheme to run happily ever after is not realistic. Such an approach:

- ignores the inevitable board and staff turnovers;

- assumes that it will be possible for participants to absorb and understand fully information prior to having any significant experience in running the scheme;

- ignores the fact that new training needs will emerge once the scheme is underway and that as it matures it will be important to rethink the approach and subject matter; and,

- ignores the fact that ongoing training also helps sustain and replenish the energy the board members and staff require for the job.

The detailed content of courses and other training initiatives will depend on the characteristics of the proposed scheme and the individuals involved, and particularly the services which will be taken over by the tenant management, and the corresponding training needs of those concerned. In all cases, however, the training will have to emphasize and respond to the aims and approach of the scheme.

Tenant management schemes in the United States and Britain are highly reliant on existing expertise; a number of agencies and consulting companies provide experience-based training on tenant management and other locally-based management initiatives, while site visits to existing schemes are a standard component of training programs. Such opportunities are very limited in Canada. However, it may be useful to make use of non-Canadian consultants, provided due care is taken to recognize and respond to the differences between the Canadian and other political, social, economic, and cultural contexts.

APPENDIX 1

Selected Readings

SELECTED READINGS

The following papers and technical reports provide detailed descriptions of the United States and British use of tenant management which may further assist Canadian agencies considering such a scheme:

Diaz, William A. (1979) Tenant Management: An Historical and Analytical Overview, Manpower Demonstration Research Corporation.

An early review of the history and development of tenant management in the United States, including a detailed description and comparative analysis of six programs and a discussion of tenant management as a general strategy for public housing.

Kolodny, Robert (1981). 'Self-Help can be an effective tool in housing the poor', Journal of Housing, 38, 3, 135-142.

A succinct and easily accessible review of tenant management in the United States and discussion of the claims and merits of this management system.

Kolodny, Robert (1983). What Happens When Tenants Manage Their Own Public Housing, The Office of Public Policy Development and Research, United States Department of Housing and Urban Development.

A comprehensive description and re-evaluation of the United States National Tenant Management Demonstration. It provides a later and more positive assessment than that undertaken by Manpower Research Development Corporation (below). This report provides the basis for, and includes more details on, some of the discussion of tenant management presented in these Guidelines.

Manpower Research Development Corporation (1981). Tenant Management: Findings From a Three-year Experiment in Public Housing.

An evaluation of the United States National Tenant Management Demonstration. This report was produced a year or less after the demonstration projects commenced operation, and is oriented towards the particular goals of the MRDC. These and other factors are seen as having caused a generally negative tone (see also Kolodny, 1983).

National Center for Community Enterprise (1984). The Grass is Greener in Public Housing: From Tenant to Resident to Homeowner.

Case study descriptions, focussing on the neighbourhood economic development benefits of tenant management of six United States projects.

Power, Anne (1987). The PEP Guide to Local Housing Management; Vo. I., The PEP Model; Vol. II, The PEP Experience; Vol. III, Guidelines for Setting up New Projects, Department of the Environment and Welsh Office.

The Guide seeks to give British local government housing managers a clear picture of how project-based management, as developed by the Priority Estates Project, should operate and what it requires of local government. While only a few PEP projects use tenant management, it contains useful and relevant detail.

Rigby, Robert J. (1985). 'A Community Based Approach to Salvaging Troubled Public Housing: Tenant Management,' in Prak, Neils L. and H. Priemus (eds), Post-War Housing in Trouble, Delft University Press, Delft.

A valuable summary description and discussion of the implementation of tenant management at two Jersey City Housing Authority projects, and some implications of this approach.

APPENDIX 2

Canadian Housing Groups with Related Experience

CANADIAN HOUSING GROUPS WITH RELATED EXPERIENCE

The Canadian base of knowledge and experience with respect to tenant management is very thin, requiring that any new scheme be developed largely on the basis of reports on, and contacts with these involved with, United States and British initiatives (see page 18). However there are a number of Canadian groups operating housing schemes which, while not involving tenant management as defined in this report, seek to give a management role to low income tenants. The experiences of these groups may be of value to any agency considering implementing tenant management. They may also be able to refer to other Canadian groups engaged in similar schemes, a number of which are currently in the early stages of development.

Edmonton Inner City Housing Society
10765 98th Street, 3rd Floor
Edmonton, Alberta
T5H 2P2 403 423-1339

Windsor Coalition for Development
2300 Howard Avenue
Windsor, Ontario
N8X 3V3 519-258-4501

Homes First
90 Shuter Street
Toronto, Ontario
M5B 2K6 416-362-2827

Housing Alternatives Inc.
P.O. Box 6246
Station A
Saint John, New Brunswick
E2L 4R7 506-632-9393